



The Olds Motor Works in Lansing.

The Automobile

Although Michigan was not the birthplace of the automobile, no other state is more renowned for having put the nation, and indeed the world, on wheels. The automobile revolutionized American culture and society, affecting mobility, housing, clothing, morals, and leisure habits, and also had a **dramatic impact on the economic growth of the state** of Michigan. Automobile manufacturing in Michigan did not occur by accident. Between 1850 and 1900, the state's manufacturing capacity had grown considerably. The availability of raw materials and affordable transportation were also crucial factors. Enormous wealth had been generated by the lumber barons of the late nineteenth century and a host of enterprises related to timber resources sprang up, including a carriage and wagon industry. These factors, together with the presence of some of the most gifted and innovative technical minds in the world, combined to make Michigan the auto capital. By 1940, 60% of the world's automobiles were assembled in Michigan and nearly all passenger car manufacturers had plants within 250 miles of Detroit.

Ransom E. Olds of Lansing was one of the early automakers instrumental in popularizing this "newfangled machine." His success in the marketplace at the turn of the century inspired thousands of eager entrepreneurs to enter the auto industry. The most successful of these was undoubtedly **Henry Ford**. By concentrating on mass production techniques and reducing costs to produce an affordable, dependable, and durable auto, Ford became the industry's first true giant. In 1908, after years of experimenting with varying models, Ford introduced what would become America's most famous automobile — the **Model T** or "Tin Lizzie." The instant popularity of this vehicle and Ford's ability to mass produce it while passing on savings in production to the consumer through reduced prices helped propel the company to the top. By the 1920s, Ford had secured over half of the entire sales market.

Another of the great entrepreneurs of this era, **William Crapo Durant**, was the grandson of former Governor Henry Crapo (1865-1868), one of Michigan's most successful lumber dealers. A successful carriage maker, Durant assumed management of the struggling Buick Motor Company in 1904 and quickly transformed it into one of the nation's leading automakers. More importantly, he foresaw the potentially enormous public demand for automobiles and was determined to expand production capacity and introduce a wider variety of models. In 1908, he established the General Motors Company, a holding company that purchased and consolidated smaller auto firms and other auto-related businesses. Although General Motors experienced mixed fortunes in its early years and Durant was ultimately to lose control of the company not once, but twice, it was his vision and marketing ability that laid the foundation for the company's future success.

In 1922, a former General Motors executive, **Walter Chrysler**, took over the Maxwell-Briscoe Company. He reorganized the company as the Chrysler Corporation and, in addition to competing with Ford and General Motors in the mass market, targeted the luxury market, a move that would serve to insulate the company somewhat from the impact of the Great Depression.



Woodward Avenue, north of Detroit, not far from the site of the world's first mile of concrete rural highway.

Paving the Way

Michigan's first roads were constructed after the War of 1812 when Michigan was still a territory. Throughout the nineteenth century, **road construction** was a township responsibility. Due to the influence of railroads and interurban systems, the early roads were primarily "wagon roads" or "farm-to-market" routes. The growing popularity of the bicycle in the late nineteenth century generated enthusiasm for better roads, and groups such as the League of American Wheelmen began advocating road improvements. The approval by the electorate of a constitutional amendment permitting state spending on roads in 1905 marked the beginning of a new era with regard to "internal improvements."

In April 1909, the Wayne County Road Commission undertook the construction of the first mile of rural concrete highway in the country. Extending from the northerly line (Six Mile Road) of the village of Highland Park to Seven Mile Road, **Woodward Avenue** was paved with a strip of concrete eighteen feet wide and six and one-half inches thick at a cost of \$13,537.59. Completed and opened for traffic in June 1909 amidst some skepticism, the Woodward Avenue project attracted road builders and engineers from across the country, who were greatly impressed with the results.

Good roads associations soon sprang up nationwide. The drive to promote better roads for auto travel was under way. By 1933, the United States boasted over 77,000 miles of rural concrete highway and nearly 25,000 miles of concrete city streets. The road-building boom reached its apex in 1956, when Congress authorized and initiated the most massive public works project in American history — the construction of the **federal interstate highway system**. The pioneering Wayne County Road Commission would go on to record a number of other "firsts," including the use of scrapers on trucks to remove snow (1915), the planting of trees to beautify highways (1918), and the painting of centerlines on highways (1920s).

The Working Class Hero

Among the reasons for the success of the Ford Motor Company was the favorable public image of founder **Henry Ford**. In today's world of hourly wages, benefit packages, and paid vacations, Ford's announcement on January 5, 1914, that he would pay his workers \$5.00 for one day's work may not seem very significant, but it solidified his image as a true friend of the working class. A landmark in the history of industry, the five-dollar-day milestone represented more than a doubling of the customary autoworker wage of \$2.30 per day. In less than a year, the other automakers were compelled to follow his lead.

While many have questioned Ford's true motives for making such a move, his statements that the people who assembled cars should be able to afford them elicited an enormously favorable public response. Despite the fact that many workers did not automatically qualify for the new wage and workers also had to adhere to Ford's strict moral code as enforced by the company's "sociological department," thousands flocked to the gates of the Ford plant to take advantage of the opportunity. Indeed, four days after the announcement, an angry throng of over 10,000 disappointed job seekers had to be dispersed with fire hoses when told that no more openings existed.

The **five-dollar-day rate** not only attracted more and more laborers, increasing the flow of immigrants to Michigan, it also afforded these workers with a small measure of wealth that, among other things, could be used to purchase a Ford automobile. Regardless of his motives, this historic wage helped earn Ford a reputation as an enlightened automaker.

Among other cars being manufactured in Michigan were the Columbia, Downing, Liberty, Ross, and Scripps-Booth of Detroit; the Dort and Paterson of Flint; the Briscoe, Hollier, and Handley of Jackson; and the Austin of Grand Rapids. The Michigan-based "Big Three" were supplying 75% of the nation's autos by the end of the 1920s, while a number of smaller Michigan firms continued to thrive.

The popularity of the motor car had a profound impact on virtually every aspect of the state's social and economic fabric. The meteoric **rise of the auto industry** led to the state's phenomenal population growth and accompanying social ills. Not only did Detroit swell from a population of 285,704 in 1910 to nearly 1.6 million in 1930, but other cities showed similar gains. Between 1900 and 1930, Flint's population jumped from 13,000 to more than 156,000. Dearborn's population grew from 1,000 to 50,000 during the same period, and small towns like Highland Park and Hamtramck became urban areas in less than a decade. Much of this growth resulted from the arrival of a new wave of immigrants, particularly from southern and eastern Europe.

Another offshoot of the burgeoning auto industry was the ultimate success of the "good roads movement," an initiative originally promoted by bicycle enthusiasts at the end of the nineteenth century. Under the leadership of such people as Horatio S. Earle, who became the state's first highway commissioner, the "**good roads movement**" gathered momentum. With the rapid acceptance of the automobile as the preferred mode of travel, the road-building boom began in earnest after World War I. Auto registrations in Michigan grew from 326,000 in 1919 to 1.4 million in 1929, and these motorists were able to take advantage of a growing network of roads and highways traversing the state.

The Great Depression and World War II

The unbridled optimism and progress of the 1920s died with the stock market crash of October 1929 and the ensuing Great Depression. The 1930s signaled the beginning of the "**age of isolationism**," a period during which the mood of the nation reflected a general disdain for "internationalism" and a determination to resist involvement in the community of nations. The impact of the Great Depression was particularly acute in Michigan. The Lower Peninsula's industrial sector, the Upper Peninsula's mining industry, and agriculture were especially hard hit. Indeed, economic conditions in Michigan were such that the people suffered sooner and more severely than the rest of the nation. Unemployment figures alone provide a stark picture of the situation. By 1933, nearly 50% of the state's nonagricultural work force was unemployed, which was almost twice as high as the national rate.

Meanwhile, due in large part to the demands of an increasingly urban society, state and local expenditures grew considerably during the first part of the twentieth century. While public funds

were needed for health and sanitation, highway construction, conservation, and education, the Great Depression jeopardized progress in many of these areas. Local **relief programs** did not have the resources to respond to the crisis, and many private charitable organizations were bankrupt by 1932. Eventually, state and federal government resources were devoted to providing relief to those in need and to recovering from the economic malaise. By 1934, 800,000 of the state's 5 million residents were receiving some form of public relief. In 1932, the bonding limit of cities was raised so they could borrow money to provide more assistance. That same year, automobile weight tax funds were allocated directly to the counties. By 1933, Michigan had borrowed \$21 million from the federal government through the Reconstruction Finance Corporation created under the Hoover Administration. These efforts, however, proved inadequate.

The burdens of the Depression were too much for a state tax system dependent on the property tax for revenue. Between 1914 and 1930, property taxes in Michigan had increased by 500%. Not surprisingly, by 1933, Michigan had the **highest property tax delinquency rate** in the nation. In November of 1932, voters approved an amendment to the Michigan constitution limiting property taxes to 1% of assessed valuation, further straining available state revenues. Compelled to seek new sources of revenue, the Legislature enacted a 3% retail sales tax and forfeited the state's share of future property taxes. With the repeal of prohibition in 1933 and adoption of a state constitutional amendment authorizing the establishment of a Liquor Control Commission, a tax on the manufacture and sale of beer and wine was also enacted.

Among other measures adopted was a 1933 law providing old age assistance. And on February 14, 1933, Governor William A. Comstock (1933-1934) ordered most of the state's banks to close in an effort to save them from failure, thereby preceding the famed "**bank holiday**" declared by President Franklin Roosevelt at the national level on March 5, 1933. With many homeowners facing the possibility of losing their homes because of their failure to make mortgage payments or because of delinquent property taxes, **mortgage and land contract moratorium acts** were enacted. This legislation cancelled penalties and interest on delinquent property taxes, and provided for extensions on future property taxes. A state employment service was created to, among other things, administer the payment of unemployment insurance benefits under the Social Security Act passed by the U.S. Congress in 1935. By the end of the decade, direct relief financed by state and county funds was available. Yet, it would not be until World War II that the economy of the state and nation would recover enough to alleviate the effects of the Depression.

During this period, a sense of optimism and hope seemed to return, and by 1936 the auto industry appeared to be on the rebound. In addition, the misery and despair of the Depression were tempered somewhat by successes in the world of sports. The **Detroit Tigers** won the American League pennant in 1934 and 1935 and the World Series in 1935. Capping a truly banner year, the **Detroit Lions** won the National Football League title that same year and the **Detroit Red Wings** won their first of two consecutive Stanley Cups during the 1935-1936 season. In 1937, Detroit's own **Joe Louis** began his long reign as the heavyweight boxing champion of the world. Yet the problems of the Depression and the notion that the United States could "go it alone" in a hostile world were soon to be forgotten.

As the "Arsenal of Democracy," Michigan played an unparalleled role in fighting tyranny abroad during **World War II**. Even before the nation had been drawn into the global conflict, steps had been taken to prepare the vast industrial resources of the state for conversion to war production. The state's enormous industrial capacity, bolstered by mass production techniques, was ideally suited for the industrial and technological needs of modern warfare. The auto industry, which ceased civilian automotive production altogether in February 1942, quickly converted to the production of aircraft, tanks, guns, and other materials. By the end of the war, Michigan had contributed more than 4,000,000 engines, 25,000 tanks, and 8,500 B-24 Liberator bombers to the war effort. In terms of human resources for the armed forces, more than 600,000 Michigan men and women answered their nation's call to arms. As a result, thousands of people from other states, particularly the South, and from rural Michigan flocked to the cities to meet the demand for both skilled and nonskilled labor.



WPA projects employed thousands of displaced autoworkers.



The war effort at home. Many observers trace the origins of the modern women's movement and the growth of women in the work force to their heroic contributions as civilians during World War II.

Rosie the Riveter

Although the impact of World War II on the homefront was not nearly as traumatic for Americans as it was for people whose homelands became the world's battlefields, this global conflict had many profound influences on American society. The nature of the labor force was one of the areas that underwent dramatic change. In addition to bringing job seekers from other states to Michigan, **wartime labor shortages attracted increasing numbers of women to the war production effort.**

In 1940, there were 391,600 employed women in Michigan. By 1943, this number had more than doubled to 799,100, with women constituting nearly 35% of the nonagricultural work force. Many of those new to the labor force were older and married. What had been the domain of young, single, and relatively poor females was opened up to increasing numbers of middle-aged, middle-class mothers.

While women, particularly in the manufacturing sector, were not always welcomed with enthusiasm by their male co-workers, they became the subject of the country's publicity campaign to foster unity and patriotism for the war effort. The image of "Rosie the Riveter," the title of a popular patriotic song of the era, came to symbolize the contributions of women to the Arsenal of Democracy. Those women who had the added burden of being the head of a household were forced to endure other hardships such as meals lacking in nutrition, ration stamps for meats, sugar, butter, and coffee, and constant pleas from government to donate both certain important household commodities and time.